

DDCI Comments - PAR Briefing in Headquarters Auditorium on 27 September 1979

"... refine our executive development programs. Under the new Performance Appraisal System, the supervisor will have, I would suppose, three basic responsibilities. First is to be a Rating Officer and a Reviewing Officer and this is going to become terribly important. It is going to become more relevant to people as their salaries are closely tied to their evaluations and, while we are only going to implement the SIS on 1 October and, as most of you are aware, the legislation envisages a Merit Pay System which goes further down through the ranks, and as soon as we get the SIS System underway we intend to start on the design of the Merit Pay System and sooner or later it is going to impact down through the middle and some of the lower management levels. So you will have responsibility as Rating and Reviewing Officers to reward the strong employees and sort out those employees who are . . ."

Topic on Merit Pay for 18 October SIS Meeting

Let me touch for a moment on another feature of the Civil Service Reform Act, the Merit Pay System for GS-13 through GS-15 managers. This System will not be fully operational elsewhere in government until October 1981 and we, like other Federal agencies not under the system, are watching carefully the progress of those few agencies that have implemented the Merit Pay.

This concept also is intended to recognize and reward quality performance by merit pay increases in varying amounts and covers only those GS-13 through GS-15 employees who are supervisors or managers. Under the concept for that group of employees, the PSI's are abolished and the employees affected get only half of the comparable pay offered each year. These two sources of funds are then used for the bonuses paid.

It is possible that my remarks at the Kick-Off of the new Performance Appraisal System may have been misunderstood to mean that this Agency is committed to the Merit Pay System under the Civil Service Reform Act. Let me assure you here today, and please let others under your supervision know, that this is not the case. In the next few months, the Office of Personnel will initiate an intensive study of the Merit Pay System. As was the case with the proposals of the Senior Intelligence Service, the results of the Office of Personnel study will be reviewed by the Executive Committee. If in the end the Merit Pay System, as described in the Civil Service Reform Act, does not make sense for this Agency, we will not adopt

it; if it does, we will. Perhaps, modifications for a system similar to the Senior Intelligence Service would overcome what might be perceived to be disadvantages of the existing system. We will not know until the study has been completed. The only point I want to make here today is that we are not committed to the Merit Pay System in case there might be some confusion about that position.

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

SIS Kick-Off Conference - 18 October 1979

FROM: Harry E. Fitzwater  
Director of Personnel  
5 E 58

EXTENSION

NO

PERS 79-6178

DATE

17 October 1979

STATINTL

TO: (Officer designation, room number, and building)

DATE

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OFFICER'S  
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COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Deputy Director of  
Central Intelligence

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Attachment A contains  
your comments made at the  
Performance Appraisal Briefing  
in the Auditorium.Attachment B contains a  
proposed topic for the SIS  
Briefing on 18 October 1979  
and possibly portions could be  
put into an Employee Notice and  
also cabled to the field.

Harry E. Fitzwater

Harry E. Fitzwater

Atts

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